

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: RAPID RESPONSE POLICY—INPUT REQUESTED

The purpose of this communication is to gather broader input on the proposed Dislocated Worker 25 Percent Funding policy framework developed by the California Workforce Investment Board's (State Board) Dislocated Worker 25 Percent Workgroup (Workgroup). In particular, the Workgroup is seeking input regarding a segment of the policy that is intended to fund a Rapid Response coordinator in each Local Workforce Investment Area (LWIA), which will account for a portion of the Dislocated Worker 25 Percent Rapid Response funds.

BACKGROUND

On May 6, 2004, the State Board will consider the adoption of a Dislocated Worker 25 Percent Funding policy framework, which includes the following four components and related recommendations:

1. Dislocated Worker 25 Percent Set-aside

Recommend that the State set-aside 25 percent of the dislocated worker funding, for California's Rapid Response System and for additional assistance to dislocated workers in the local areas. Further recommend that one-half of the Dislocated Worker 25 Percent set-aside be reserved for Rapid Response activities and one-half be reserved for additional assistance to local areas, as permitted in the Workforce Investment Act.

2. Definition of the Role of the Rapid Response System

Recommend a definition of the role of the Rapid Response system (See *Attachment 1*).

3. Rapid Response System Funding Allocation

Recommend that the Rapid Response reserve funds be allocated using the following three categories (See *Attachment 1* for the purposes of each category):

- Baseline funding will be provided to each LWIA for the coordination of Rapid Response activities. This category will ensure funding, at minimum, for a Rapid Response coordinator in each LWIA. In areas with minimal dislocation events the funding will allow for systems building, specifically in rural areas.
- Layoff-based funding for LWIAs that serve regions where significant numbers of dislocation events occur based on quantitative data. This category will ensure California meets WIA requirements to provide services to assist groups of

workers affected by mass layoffs, permanent business closures and natural or other disasters.

- Competitive funding for projects proposed by LWIAs that submit grants according to the Rapid Response priorities recommended by the State Board and adopted by the Governor. Recommend priorities for awarding these Rapid Response competitive funds.

4. Dislocated Worker Additional Assistance

Recommend criteria for the allocation of Dislocated Worker Additional Assistance funds (See *Attachment 1*).

The State Board established the Workgroup to develop a policy framework that guides and defines a workforce system that provides effective Rapid Response and ensures timely additional dislocated worker assistance to areas in need. On March 29 and April 15, 2004, the Workgroup met to develop a recommended policy framework for Program Year (PY) 2004-05.

The Workforce Investment Act (WIA) provides that the Governor may reserve up to 25 percent of the dislocated worker funds allocated to the State to perform “Rapid Response” in situations of significant worker displacements. Rapid response activities inform individuals how to access services through the One-Stop Career Centers and assist employers to minimize the affects of layoffs and avert further layoffs. The law outlines the types of activities to be performed. The law also outlines that once adequate funding has been set aside to ensure Rapid Response is conducted, the balance of the dislocated worker 25 percent funds may be used to provide additional assistance to local areas where there are insufficient local resources to address the needs of workers affected by significant layoffs or business closures.

Since the implementation of WIA in California, there have been questions regarding the timeliness, equitable distribution, and appropriate uses of the State’s share of WIA dislocated worker funds. The Workgroup carefully discussed the implications of any recommended policy on all LWIAs and how to ensure no LWIAs unfairly carried a disproportionate degree of a loss of Rapid Response funding from PY 2003-04 to 2004-05. This proved to be challenging, as California’s communities and regions are diverse, as are the LWIAs. Additionally, in order for the workforce investment system to optimize the use of these funds, the Workgroup addressed many objectives; however, the following objectives were of greatest concern:

- Ensure that LWIAs can and do adequately respond effectively to significant layoffs in their areas;
- Provide timely and equitable access to resources for each LWIA;
- Ensure that a portion of the funds are directed toward system-capacity building activities and continuous improvement;
- Encourage the development of layoff aversion strategies;
- Recognize the uniqueness of each LWIA and allow them the opportunity to tailor their local system to best fit their area’s needs;
- Encourage LWIAs to engage their local business community and understand their needs; and

- Focus on the Governor's priorities for the development of California's economy.

The Workgroup has developed the following recommendation for the allocation of the Rapid Response reserve funds (See *Attachment 1* for the purposes of each category).

- Thirty percent evenly divided among LWIAs for baseline activities, with multi-county LWIAs receiving an extra share for each additional county.
- Forty-five percent allocated based upon each LWIA's share of employees affected statewide by WARN and non-WARN layoffs of 10 or more.
- Twenty-five percent awarded competitively according to priorities recommended to the Governor by the State Board.

Rapid Response Coordination Funding (Baseline Funding)

The Workgroup is particularly interested in your comments on the proposed method for allocating the Rapid Response Baseline funds. This category will account for 30 percent of the State's Rapid Response funding. The intent of the Workgroup was to ensure that each LWIA had enough resources to fund a Rapid Response coordinator and maintain a minimum level of Rapid Response capacity. The Workgroup agreed to award multiple shares to LWIAs with multiple counties on the basis that they dealt with multiple jurisdictions and in consideration of the geographical distances that they serve.

The Workgroup also recommended that a priority for funding, under the competitive category, would be the mitigation of inordinate losses of Rapid Response funding experienced by a given LWIA from PY 2003-04 to 2004-05. This recommended priority was in acknowledgement that the multiple-county LWIAs were given unique consideration to maintain existing infrastructure. Please review *Attachment 1* to determine the implications of the proposed policy framework and the impact upon your LWIA's Rapid Response funding.

Once again, the purpose of this information bulletin is to allow all LWIAs an opportunity to provide input to the Workgroup and the State Board regarding the proposed Dislocated Worker 25 Percent policy framework. The Workgroup will consider all input in making final recommendations to the State Board. Please provide your comments and recommendations, by Friday April 23, to Jackie Wolfe at (916) 654-9339 or jwolfe@edd.ca.gov.

/S/ BOB HERMSMEIER
Chief
Workforce Investment Division

Attachment

**Framework for California Workforce Investment Act
Dislocated Worker 25 Percent Funding
Fiscal Year 2004/05**

Background

The Federal Workforce Investment Act (WIA) of 1998 provides that the Governor may reserve for statewide workforce investment activities up to 25 percent from the amount allotted to the State for dislocated worker employment and training activities. Of these “25 Percent” funds, the State is required to set aside an adequate amount for *Rapid Response* activities. Once adequate funding is available for Rapid Response, the State may use the remaining 25 Percent funds to provide “Additional Assistance” to local areas experiencing high levels of unemployment due to closures, mass layoffs, or disasters, and that do not have adequate other resources to address the resulting needs.

In order to ensure that the 25 Percent funds overall, and specifically the Rapid Response and Additional Assistance funds, are appropriately distributed to Local Workforce Investment Areas (LWIA), the California Workforce Investment Board has established a “25 Percent Workgroup” (Workgroup). The Workgroup has proposed the following statement of the role of the Rapid Response system and approaches for awarding these resources.

Role of the California Rapid Response System

The California Rapid Response System’s *role* is to support the state’s economy and local economies by:

- Assisting workers to quickly return to productive positions in the labor force;
- Assisting employers to explore alternatives to layoffs through human resource solutions;
- Reducing the economic and social burdens that unemployment adds to employers, workers, and the community; and
- Providing local communities, workforce investment partners, employers, and workers with timely and pertinent information to anticipate and profit from economic development opportunities.

Additional Assistance is state support to local areas without adequate dislocated worker resources to address the effects of disasters, mass layoffs or plant closings or other events that precipitate substantial increases in the number of unemployed individuals. These funds provide opportunities to individuals for the mutual benefit to their quality life and continuance of the economic growth and recovery of California’s regional economies.

Overall Funding Approach

For Program Year (PY) 2004-05, the State plans to create a Rapid Response Reserve fund equal to one-half of the 25 Percent funds. The State will award these funds to Local Workforce Investment Areas (LWIA) based on three individual processes: (1) a baseline allocation evenly divided among LWIAs and with multi-county LWIAs receiving an extra share for each additional county for Rapid Response coordination and services to smaller layoffs, (2) an allocation for local areas that serve regions where significant dislocation events occur, based on the volume of worker dislocation in the LWIA, and (3) for competitive grants for allowable rapid response activities that conform to the priorities recommended to the Governor by the State Board.

The State will reserve the remaining half of the 25 Percent funds to provide Additional Assistance.

Baseline Funding

To ensure that every LWIA has at least a minimum level of capacity to support Rapid Response, the State will allocate 30 percent of the Rapid Response Reserve equally among the LWIAs, with LWIAs with multiple counties receiving an extra share for each county in the consortium. Based on the dislocated worker funds allotted to California for PY 2004-05, each LWIA would receive at least \$96,376. Multiple-county LWIAs would receive an extra share for each additional county (see Appendix A).

Dislocation Events Funding

To ensure that resources are available to provide required Rapid Response activities when there are significant business closures and layoffs, the State will allocate 45 percent of the Rapid Response Reserve based on data reflecting the number of on-site orientations the LWIAs provided to employees affected by layoffs of 10 or more (see Appendix A).

Competitive Priorities Funding

To support building the capacity of the Rapid Response system and to enable local areas to conduct Rapid Response activities permitted by the law, the State will award competitively 25 percent of the Rapid Response Reserve funds for projects that best satisfy the following criteria:

- Compliance with the WIA and administrative requirements;
- Return on investment; and
- The Governor's, and California Workforce Investment Board's, priorities.

See Appendix B for details.

Additional Assistance Funding

The State will reserve as *Additional Assistance* all 25 Percent funds not awarded for Rapid Response. These funds will be awarded on an as-needed basis to LWIAs that encounter unexpected levels of layoff activity that exceed their ability to serve the population of dislocated workers in their community.

In order for an LWIA proposal to be funded the proposal must meet the following criteria:

- Comply with the WIA legal and administrative requirements;
- Demonstrate an effective *return on investment*; and
- Conform to the Governor's, and California Workforce Investment Board's, priorities.

See Appendix C for details.

Proposed Rapid Response Funding for Program Year 2004-05

April 19, 2004

(Layoff Data for Layoffs of 10 or More Employees Occurring During Calendar Year 2003, As Reported on WARN and 121 Reports)

	Baseline Funding				Layoff Activity Funding			Total PY 04-05 Baseline & Dislocation Funding	PY 03-04 Baseline & Required Activities Funding	Funding Change	Percent Change
	Initial Baseline Funding	Number of Additional Counties	Additional Counties Funding	Total Baseline Funding	Layoffs	Employees Affected	Dislocation- Based Funding				
Alameda County	\$ 96,376		\$ -	\$ 96,376	\$ 53	\$ 5,036	\$ 540,637	\$ 637,013	\$ 396,598	\$ 240,415	61%
Anaheim	\$ 96,376		\$ -	\$ 96,376	\$ 9	\$ 674	\$ 72,357	\$ 168,733	\$ 150,000	\$ 18,733	12%
Carson/Lomita/Torrance	\$ 96,376		\$ -	\$ 96,376	\$ 17	\$ 1,988	\$ 213,421	\$ 309,797	\$ 651,345	\$ (341,548)	-52%
Contra Costa	\$ 96,376		\$ -	\$ 96,376	\$ 16	\$ 1,379	\$ 148,042	\$ 244,418	\$ 275,763	\$ (31,345)	-11%
Foothill	\$ 96,376		\$ -	\$ 96,376	\$ 7	\$ 975	\$ 104,671	\$ 201,047	\$ 336,048	\$ (135,001)	-40%
Fresno City/County	\$ 96,376		\$ -	\$ 96,376	\$ 16	\$ 1,964	\$ 210,844	\$ 307,220	\$ 827,115	\$ (519,895)	-63%
Golden Sierra	\$ 96,376	4	\$ 385,504	\$ 481,880	\$ 14	\$ 2,064	\$ 221,580	\$ 703,460	\$ 137,670	\$ 565,790	411%
Humboldt	\$ 96,376		\$ -	\$ 96,376	\$ 7	\$ 390	\$ 41,868	\$ 138,244	\$ 176,931	\$ (38,687)	-22%
Imperial	\$ 96,376		\$ -	\$ 96,376	\$ -	\$ -	\$ -	\$ 96,376	\$ 50,000	\$ 46,376	93%
Kern/Inyo/Mono	\$ 96,376	2	\$ 192,752	\$ 289,128	\$ 19	\$ 1,263	\$ 135,589	\$ 424,717	\$ 279,457	\$ 145,260	52%
Kings	\$ 96,376		\$ -	\$ 96,376	\$ 3	\$ 311	\$ 33,387	\$ 129,763	\$ 147,646	\$ (17,883)	-12%
Long Beach	\$ 96,376		\$ -	\$ 96,376	\$ 22	\$ 1,788	\$ 191,950	\$ 288,326	\$ 785,123	\$ (496,797)	-63%
Los Angeles City	\$ 96,376		\$ -	\$ 96,376	\$ 73	\$ 5,736	\$ 615,785	\$ 712,161	\$ 956,328	\$ (244,167)	-26%
Los Angeles County	\$ 96,376		\$ -	\$ 96,376	\$ 84	\$ 5,333	\$ 572,521	\$ 668,897	\$ 1,754,712	\$ (1,085,815)	-62%
Madera	\$ 96,376		\$ -	\$ 96,376	\$ 1	\$ 100	\$ 10,735	\$ 107,112	\$ 156,854	\$ (49,742)	-32%
Marin	\$ 96,376		\$ -	\$ 96,376	\$ 7	\$ 239	\$ 25,658	\$ 122,034	\$ 101,590	\$ 20,444	20%
Mendocino	\$ 96,376		\$ -	\$ 96,376	\$ 7	\$ 217	\$ 23,296	\$ 119,672	\$ 247,807	\$ (128,135)	-52%
Merced	\$ 96,376		\$ -	\$ 96,376	\$ 9	\$ 1,429	\$ 153,409	\$ 249,786	\$ 375,534	\$ (125,748)	-33%
Monterey	\$ 96,376		\$ -	\$ 96,376	\$ 6	\$ 611	\$ 65,594	\$ 161,970	\$ 171,846	\$ (9,876)	-6%
Mother Lode	\$ 96,376	3	\$ 289,128	\$ 385,504	\$ 9	\$ 251	\$ 26,946	\$ 412,450	\$ 550,000	\$ (137,550)	-25%
Napa	\$ 96,376		\$ -	\$ 96,376	\$ 6	\$ 962	\$ 103,275	\$ 199,651	\$ 191,292	\$ 8,359	4%
NoRTEC	\$ 96,376	8	\$ 771,008	\$ 867,385	\$ 5	\$ 590	\$ 63,339	\$ 930,724	\$ 875,583	\$ 55,141	6%
North Central Counties	\$ 96,376	4	\$ 385,504	\$ 481,880	\$ 2	\$ 205	\$ 22,008	\$ 503,888	\$ 842,000	\$ (338,112)	-40%
NOVA	\$ 96,376		\$ -	\$ 96,376	\$ 90	\$ 9,166	\$ 984,011	\$ 1,080,387	\$ 487,850	\$ 592,537	121%
Oakland	\$ 96,376		\$ -	\$ 96,376	\$ 19	\$ 3,233	\$ 347,077	\$ 443,453	\$ 330,409	\$ 113,044	34%
Orange County	\$ 96,376		\$ -	\$ 96,376	\$ 53	\$ 6,181	\$ 663,558	\$ 759,934	\$ 1,150,542	\$ (390,608)	-34%
Richmond	\$ 96,376		\$ -	\$ 96,376	\$ 2	\$ 124	\$ 13,312	\$ 109,688	\$ 80,408	\$ 29,280	36%
Riverside County	\$ 96,376		\$ -	\$ 96,376	\$ 18	\$ 2,060	\$ 221,150	\$ 317,526	\$ 594,736	\$ (277,210)	-47%
Sacramento	\$ 96,376		\$ -	\$ 96,376	\$ 23	\$ 1,876	\$ 201,397	\$ 297,773	\$ 1,026,565	\$ (728,792)	-71%
San Benito	\$ 96,376		\$ -	\$ 96,376	\$ -	\$ -	\$ -	\$ 96,376	\$ 25,405	\$ 70,971	279%
San Bernardino City	\$ 96,376		\$ -	\$ 96,376	\$ 1	\$ 40	\$ 4,294	\$ 100,670	\$ 145,538	\$ (44,868)	-31%
San Bernardino County	\$ 96,376		\$ -	\$ 96,376	\$ 35	\$ 4,708	\$ 505,425	\$ 601,801	\$ 504,906	\$ 96,895	19%
San Diego	\$ 96,376		\$ -	\$ 96,376	\$ 75	\$ 7,695	\$ 826,092	\$ 922,468	\$ 1,128,361	\$ (205,893)	-18%
San Francisco	\$ 96,376		\$ -	\$ 96,376	\$ 32	\$ 3,522	\$ 378,102	\$ 474,478	\$ 350,000	\$ 124,478	36%
San Joaquin	\$ 96,376		\$ -	\$ 96,376	\$ 22	\$ 3,260	\$ 349,975	\$ 446,352	\$ 657,878	\$ (211,526)	-32%
San Jose/Silicon Valley	\$ 96,376		\$ -	\$ 96,376	\$ 33	\$ 3,849	\$ 413,207	\$ 509,583	\$ 834,776	\$ (325,193)	-39%
San Luis Obispo	\$ 96,376		\$ -	\$ 96,376	\$ 3	\$ 579	\$ 62,158	\$ 158,534	\$ 96,725	\$ 61,809	64%
San Mateo County	\$ 96,376		\$ -	\$ 96,376	\$ 32	\$ 2,970	\$ 318,843	\$ 415,219	\$ 167,603	\$ 247,616	148%
Santa Ana	\$ 96,376		\$ -	\$ 96,376	\$ 15	\$ 608	\$ 65,271	\$ 161,648	\$ 79,532	\$ 82,116	103%
Santa Barbara	\$ 96,376		\$ -	\$ 96,376	\$ 8	\$ 1,218	\$ 130,758	\$ 227,134	\$ 295,547	\$ (68,413)	-23%
Santa Cruz	\$ 96,376		\$ -	\$ 96,376	\$ 13	\$ 984	\$ 105,637	\$ 202,013	\$ 160,427	\$ 41,586	26%
SELACO	\$ 96,376		\$ -	\$ 96,376	\$ 8	\$ 551	\$ 59,152	\$ 155,528	\$ 191,211	\$ (35,683)	-19%
Solano County	\$ 96,376		\$ -	\$ 96,376	\$ 4	\$ 576	\$ 61,836	\$ 158,212	\$ 116,454	\$ 41,758	36%
Sonoma County	\$ 96,376		\$ -	\$ 96,376	\$ 14	\$ 1,831	\$ 196,566	\$ 292,942	\$ 204,077	\$ 88,865	44%
South Bay	\$ 96,376		\$ -	\$ 96,376	\$ 15	\$ 1,805	\$ 193,775	\$ 290,151	\$ 894,245	\$ (604,094)	-68%
Stanislaus County	\$ 96,376		\$ -	\$ 96,376	\$ 16	\$ 1,583	\$ 169,942	\$ 266,318	\$ 89,573	\$ 176,745	197%
Tulare County	\$ 96,376		\$ -	\$ 96,376	\$ 10	\$ 310	\$ 33,280	\$ 129,656	\$ 437,623	\$ (307,967)	-70%
Ventura County	\$ 96,376		\$ -	\$ 96,376	\$ 26	\$ 1,767	\$ 189,695	\$ 286,071	\$ 207,678	\$ 78,393	38%
Verdugo	\$ 96,376		\$ -	\$ 96,376	\$ 15	\$ 983	\$ 105,529	\$ 201,905	\$ 161,201	\$ 40,704	25%
Yolo County	\$ 96,376		\$ -	\$ 96,376	\$ 4	\$ 625	\$ 67,097	\$ 163,473	\$ 205,370	\$ (41,897)	-20%
Statewide Total	\$ 4,818,803	21	\$ 2,023,897	\$ 6,842,700	978	95,609	\$ 10,264,050	\$ 17,106,750	\$ 21,061,882	\$ (3,955,132)	-19%

Priorities for Rapid Response Competitively Funded Projects

Proposed Funding Approach

For Program Year (PY) 2004-05, the State will award up to 25 percent of the Rapid Response reserve funds for Rapid Response Allowable Activities projects. The State will rate proposals for this funding based on the following factors:

WIA and Administrative Requirements

All proposals for allowable rapid response funding must conform to Workforce Investment Act (WIA) Rapid Response required and allowable activities (20 CFR 665.310 and 665.320).

Each Local Workforce Investment Area (LWIA) may only receive one Rapid Response Allowable Activities grant. Each grant will not exceed \$250,000. Proposals that the State rates highly will be funded. The State will reserve as Additional Assistance any funds not awarded from this segment of Rapid Response funding.

Return on Investment (ROI)

As Rapid Response funding is becoming increasingly limited, the State is requiring that each proposal be evaluated for the return on investment. The following factors will be considered for each proposal:

- Past performance regarding the implementation of past Rapid Response “allowable activity” grants;
- Effects/benefits/outcomes;
- Cost effectiveness; and
- Sustainability

State Priorities

The California Workforce Investment Board has recommended the following priorities to the Governor, for use in awarding 25 Percent Rapid Response Allowable Activities grants in PY 2004-05.

1. Required Rapid Response—This category is intended for additional funding to local areas that have levels of dislocation that demand required Rapid Response activities beyond what is funded in the Required Rapid Activities funding segment. This is to ensure California’s Rapid Response System

maintains the capacity to deliver basic/ required WIA Rapid Response activities.

2. Mitigation of Rapid Response funding losses between PY 2003-04 and PY 2004-05.
3. Lay-off aversion—Funding to develop plans to identify and assist employers at risk of layoffs due to competitive factors.
 - Exhibit a public-private partnership. Local areas identify partnerships with private organizations that provide job training, including employers and/or private training providers, in order to leverage training opportunities for clients and minimize duplication of training efforts.
 - Local areas establish partnerships with private organizations, such as employers, economic development organizations and Chambers of Commerce, to gather information on changing workforce needs due to changes in the economy to ensure that the WIA funded training is current and relevant.
4. Innovation—Projects funded under this category are intended to support innovative efforts to expand or redesign local rapid response systems to become more responsive to local businesses- large and small.
5. Small Business Services—As the majority of California's workforce is employed by small businesses, it is not feasible to provide on-site service to all California businesses that employ less than 10 workers. Therefore, innovation will be required to serve California's small businesses in a systematic manner.
6. Regional Impact—Projects under this category are intended to support efforts focused on regional industries and labor markets that are identified through funded endeavors (Regional Economies Project, local grants, etc.) as emerging, critical, and/or changing.

25 Percent Additional Assistance Funding Approach

Additional Assistance is state support to local areas without adequate dislocated worker resources to address the effects of disasters, mass layoffs or plant closings or other events that precipitate substantial increases in the number of unemployed individuals. These funds provide opportunities to individuals for the mutual benefit to their quality life and continuance of the economic growth and recovery of California's regional economies.

For Program Year (PY) 2004-05, the State will award Workforce Investment Act (WIA) 25 Percent funds for Additional Assistance based on the following factors:

WIA Legal and Administrative Requirements

A Local Workforce Investment Area (LWIA) may request WIA Dislocated Worker 25 Percent Additional Assistance funds when it does not have other resources to provide direct services to workers affected by mass layoffs, facility closings or natural or other disasters.

To receive funding, the LWIA must complete an application and submit it to Employment Development Department (EDD). In the application, the LWIA describes the events that have led to the unexpected and increased demand for service by the dislocated workers in the local area, the services to be provided, and why existing resources are not adequate to meet the need.

Return on Investment (ROI)

As training funds become increasingly limited the California Workforce Investment Board (State Board) is requiring that each proposal be evaluated for the return on investment. The following are the factors for consideration:

- Number of WIA eligible dislocated workers to be served;
- The number who will receive training and the types of training to be provided;
- Average cost per participant;
- The number of participants who will enter employment following training;
- The number of participants who will retain employment for at least six months;
- The projected earnings change after employment;
- Past performance regarding the delivery of dislocated worker services and past WIA 25 percent grants;

Governor's and California State Board's Priorities

The California State Board identifies the following three priorities to provide opportunities to individuals for the mutual benefit to their quality life and continuance of the economic growth and recovery of California's regional economies, which will be recommended for use in distributing the Dislocated Worker 25 Percent Additional Assistance Funds during PY 2004-05.

(1) Growth Industries—High Wage, High Skill Job Training

Projects in this category will be designed to prepare dislocated workers for high-wage, highly skill jobs that help California's businesses succeed and expand. They will address two types of industries: those where current skill shortages are hampering business growth, and those expected to play major roles in the expansion of California's economy, where the hiring of skilled workers for business expansion will be a key priority.

Criteria for projects:

- Target select industry sectors and/or clusters that are significant to the growth and/or stability of the economy. Identify these industries/clusters based on findings from the Regional Economies Project and/or related labor market information.
- Leverage government and private funding from multi-stakeholders. Local areas expand available services through partnerships with other state and federal programs, such as CalWORKs' job training and placement efforts and the Small Business Development Center program.
- Exhibit a public-private partnership. Local areas identify partnerships with private organizations that provide job training, including employers and/or private training providers, in order to leverage training opportunities for clients and minimize duplication of training efforts.
- Activities will result in immediate and stable employment for the participants, including on-the-job training.

(2) Removing Barriers for Special Needs Populations—Significant segments of California's workers face barriers to achieving and maintaining employment, while many businesses are unable to find both entry-level and skilled workers to fill available jobs. Projects under this category will provide customized services to help dislocated workers prepare for and gain employment, often in jobs that businesses may otherwise be unable to fill.

Criteria for projects:

- Target special populations that generally have barriers to career advancement (usually underrepresented populations);
- Upgrade the skill levels of participants for jobs that are in demand.

(3) Industries with a Statewide Need—Transference of Workforce

Specific industry sectors, such as health care, have a well-documented shortage of workers. Other sectors, such as bioscience, are experiencing rapid growth that is, in part, dependent upon a skilled workforce prepared to fill the jobs that are being created. These projects will provide the opportunity for dislocated workers to fill specific industry occupations where significant shortages exist, or where such shortages can be projected based on labor market and economic development forecasts.

Criteria for projects:

- Target specific industries that demonstrate a shortage of skilled workers or a high demand for workers.
- Targeted industries are crucial to California's economic well-being.
- Job training for participants is completed in a limited period of time.